

**ASSEMBLY, No. 646**

---

**STATE OF NEW JERSEY**

**220th LEGISLATURE**

---

PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

**Sponsored by:**

**Assemblyman ANTWAN L. MCCLELLAN**  
**District 1 (Atlantic, Cape May and Cumberland)**  
**Assemblyman ERIK K. SIMONSEN**  
**District 1 (Atlantic, Cape May and Cumberland)**

**Co-Sponsored by:**

**Assemblyman Guardian**

**SYNOPSIS**

Allocates all revenue from hotel and motel occupancy fee for arts, historical heritage, and tourism purposes.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



**(Sponsorship Updated As Of: 3/24/2022)**

1 AN ACT allocating all revenue from hotel and motel occupancy fee  
2 to arts, historical heritage, and tourism purposes, amending  
3 P.L.2003, c.114.  
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:  
7

8 1. Section 2 of P.L.2003, c.114 (C:54:32D-2) is amended to read  
9 as follows:

10 2. a. The Director of the Division of Taxation shall collect and  
11 administer the fee imposed pursuant to section 1 of P.L.2003, c.114  
12 (C.54:32D-1). The fees collected shall be deposited to the General  
13 Fund, and shall be allocated as follows:

14 (1) of the fees collected for occupancies during State Fiscal Year  
15 2004: \$16,000,000 shall be allocated for appropriation to the New  
16 Jersey State Council on the Arts for cultural projects; \$2,700,000  
17 shall be allocated for appropriation to the New Jersey Historical  
18 Commission for the purposes of subsection a. of section 3 of  
19 P.L.1999, c.131 (C.18A:73-22.3); \$9,000,000 shall be allocated for  
20 appropriation to the Division of Travel and Tourism in the  
21 Department of State for tourism advertising and promotion; and  
22 \$500,000 shall be allocated for appropriation to the New Jersey  
23 Cultural Trust; and

24 (2) of the fees collected for occupancies during State Fiscal Year  
25 2005 and thereafter: **[22.68]** 56.7 percent shall be annually allocated  
26 for appropriation to the New Jersey State Council on the Arts for  
27 cultural projects, provided that of the fees collected for occupancies  
28 during State Fiscal Year 2021 and thereafter the amount allocated  
29 shall not be less than \$31,900,000; **[3.84]** 9.6 percent shall be  
30 allocated for appropriation to the New Jersey Historical Commission  
31 for the purposes of subsection a. of section 3 of P.L.1999, c.131  
32 (C.18A:73-22.3), provided that of the fees collected for occupancies  
33 during State Fiscal Year 2021 and thereafter the amount allocated  
34 shall not be less than \$5,500,000; **[12.76]** 31.9 percent shall be  
35 allocated for appropriation to the Division of Travel and Tourism in  
36 the Department of State for tourism advertising and promotion,  
37 provided that of the fees collected for occupancies during State Fiscal  
38 Year 2021 and thereafter the amount allocated shall not be less than  
39 \$17,600,000; and **[.72]** 1.8 percent shall be allocated for  
40 appropriation to the New Jersey Cultural Trust, provided that the  
41 amount allocated shall not be less than \$720,000.

42 b. (1) In carrying out the provisions of section 1 of  
43 P.L.2003, c.114 (C.54:32D-1) and this section, the director shall have  
44 all of the powers and authority granted in P.L.1966, c.30 (C.54:32B-  
45 1 et seq.). The tax shall be filed and paid in a manner prescribed by

**EXPLANATION** – Matter enclosed in bold-faced brackets **[thus]** in the above bill is  
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 the Director of the Division of Taxation. The director shall  
2 promulgate such rules and regulations as the director determines are  
3 necessary to effectuate the provisions of section 1 of P.L.2003, c.114  
4 (C.54:32D-1) and this section.

5 (2) Each person required to collect the hotel and motel occupancy  
6 fee shall be personally liable for the fee imposed, collected, or  
7 required to be paid, collected, or remitted under section 1 of  
8 P.L.2003, c.114 (C.54:32D-1). Any such person shall have the same  
9 right in respect to collecting the fee from that person's customer or in  
10 respect to non-payment of the fee by the customer as if the fee were  
11 a part of the purchase price of the occupancy or rent, as the case may  
12 be, and payable at the same time; provided however, that the director  
13 shall be joined as a party in any action or proceeding brought to  
14 collect the fee.

15 For purposes of this paragraph, "person" includes: an individual,  
16 partnership, corporation, or an officer, director, stockholder, or  
17 employee of a corporation, or a member or employee of a partnership,  
18 who as such officer, director, stockholder, employee, or member is  
19 under the duty to perform the act in respect of which the violation  
20 occurs.

21 (3) Notwithstanding any other provision of law or administrative  
22 action to the contrary, transient space marketplaces shall be required  
23 to collect and pay on behalf of persons engaged in the business of  
24 providing transient accommodations located in this State the tax for  
25 transactions obtained through the transient space marketplace. For  
26 not less than four years following the end of the calendar year in  
27 which the transaction occurred, the transient space marketplace shall  
28 maintain the following data for those transactions consummated  
29 through the transient space marketplace:

30 (1) The name of the person who provided the transient  
31 accommodation;

32 (2) The name of the customer who procured occupancy of the  
33 transient accommodation;

34 (3) The address, including any unit designation, of the transient  
35 accommodation;

36 (4) The dates and nightly rates for which the consumer procured  
37 occupancy of the transient accommodation;

38 (5) The municipal transient accommodation registration number,  
39 if applicable;

40 (6) A statement as to whether such booking services will be  
41 provided in connection with (i) short-term rental of the entirety of  
42 such unit, (ii) short-term rental of part of such unit, but not the  
43 entirety of such unit, and/or (iii) short-term rental of the entirety of  
44 such unit, or part thereof, in which a non-short-term occupant will  
45 continue to occupy such unit for the duration of such short-term  
46 rental;

47 (7) The individualized name or number of each such  
48 advertisement or listing connected to such unit and the uniform

1 resource locator (URL) for each such listing or advertisement, where  
2 applicable; and

3 (8) Such other information as the Division of Taxation may by  
4 rule require.

5 The Division of Taxation may audit transient space marketplaces as  
6 necessary to ensure data accuracy and enforce tax compliance.

7 c. The annual appropriations act for each State Fiscal Year,  
8 commencing with fiscal year 2005, shall appropriate and distribute  
9 during that fiscal year amounts not less than the amounts otherwise  
10 specified for State Fiscal Year 2005 in paragraph (2) of subsection a.  
11 of this section for the purposes specified in paragraph (2) of  
12 subsection a. of this section.

13 d. If the provisions of subsection c. of this section are not met  
14 on the effective date of an annual appropriations act for the State  
15 fiscal year, or if an amendment or supplement to an annual  
16 appropriations act for the State fiscal year should violate the  
17 provisions of subsection c. of this section, the Director of the  
18 Division of Budget and Accounting in the Department of the  
19 Treasury shall, not later than five days after the enactment of the  
20 annual appropriations act, or an amendment or supplement thereto,  
21 that violates the provisions of subsection c. of this section, certify to  
22 the Director of the Division of Taxation that the requirements of  
23 subsection c. of this section have not been met.

24 e. The Director of the Division of Taxation shall, no later than  
25 five days after certification by the Director of the Division of Budget  
26 and Accounting in the Department of the Treasury pursuant to  
27 subsection d. of this section that the provisions of subsection c. of  
28 this section have not been met or have been violated by an  
29 amendment or supplement to the annual appropriations act, notify  
30 each person required to collect tax of the certification and that the fee  
31 imposed pursuant to section 1 of P.L.2003, c.114 (C.54:32D-1) shall  
32 no longer be paid or collected.

33 (cf: P.L.2019, c.333)

34  
35 2. This act shall take effect immediately.

## 36 37 38 STATEMENT

39  
40 This bill increases the allocation of revenues from the hotel and  
41 motel occupancy fee towards arts, historical heritage, and tourism  
42 purposes from 40 percent to 100 percent.

43 Under current law, the allocation of 40 percent of hotel and motel  
44 occupancy fee revenue is as follows:

45 1) 22.68 percent to the New Jersey State Council on the Arts for  
46 cultural projects as long as the actual dollar amount allocated is at  
47 least \$31.9 million;

- 1       2) 3.84 percent to the New Jersey Historical commission for  
2 historical heritage purposes, as long as at least \$5.5 million is  
3 allocated;
  - 4       3) 12.76 percent to the Division of Travel and Tourism in the  
5 Department of State for tourism as long as at least \$17.6 million is  
6 allocated; and
  - 7       4) 0.72 percent to the New Jersey Cultural Trust as long as the  
8 amount is not less than \$720,000.
- 9       Under this bill, 100 percent of the hotel and motel occupancy fee  
10 revenues would allocated as follows:
- 11       1) 56.7 percent would go to the New Jersey State Council on the  
12 Arts for cultural projects as long as the actual dollar amount allocated  
13 is at least \$31.9 million;
  - 14       2) 9.6 percent would go to the New Jersey Historical  
15 commission for historical heritage purposes, as long as at least \$5.5  
16 million is allocated;
  - 17       3) 31.9 percent would go to the Division of Travel and Tourism  
18 in the Department of State for tourism as long as at least \$17.6 million  
19 is allocated; and
  - 20       4) 1.8 percent would go to the New Jersey Cultural Trust as long  
21 as the amount is not less than \$720,000.